Monitoring & Evaluating Green Public Procurement in the Republic of Korea

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Overview: Public Procurement in Korea

If the purchase is above a certain threshold, it should be dealt with by PPS

Centralized
- Executed by Korea Public Procurement Service (PPS)
- Through Online E-Procurement System (KONEPS)
- Account for 30% of total PP

Decentralized
- Managed by Individual State Agencies
- Through the respective procurement system
- Account for 70% of total PP
# Overview: History of Green Purchasing Policies

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
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<tbody>
<tr>
<td>1992</td>
<td>Korea Eco-Label</td>
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<tr>
<td>1994</td>
<td>“Act on Development and Support of Environmental Technology” : Recommend the Green Public Procurement (GPP)</td>
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<tr>
<td>2001</td>
<td>Type III eco-labeling program (based on LCA)</td>
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<td>2004</td>
<td>“Act on Encouragement of the Purchase of Green Products” : Oblige State Agencies to submit Annual Plan and Performance Records on GPP to MOE</td>
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<tr>
<td></td>
<td>• GPP in place</td>
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<tr>
<td>2005</td>
<td>• Voluntary Agreement on Green Procurement with the Businesses</td>
</tr>
<tr>
<td></td>
<td>• “ECO-EXPO KOREA”</td>
</tr>
<tr>
<td>2009</td>
<td>“Green Consumption Week”</td>
</tr>
<tr>
<td></td>
<td>• Eco-labeling service criteria (eco-friendly hotel)</td>
</tr>
<tr>
<td>2011</td>
<td>• Green Credit Card</td>
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<td></td>
<td>• Green Store Partnership with the Distribution Chains</td>
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Overview: Legal basis on GPP

Act on Encouragement of the Purchase of Green Products (2005)

- **Purpose**: prevent wasteful use of resources and environmental pollution, contribute to sustainable development by encouraging green purchasing

- **No quantitative target** is set by the central government

- **State agencies** are obliged by the Act to produce and report to MOE
  - Implementation Plan with voluntary GPP targets
  - Performance Report with the amount of green product purchased
Overview: Coverage of Green Products

- Certified or Meet the criteria set by the Korea Eco-Label or by the Good Recycled Mark
- Meet other environmental standards set by MOE in consultation with the relevant ministries

**Korea Eco-Label**
- 150 categories including office equipment, construction materials
- 1,672 companies, 9,799 products
  (As of June. 2013)
- Ministry of Environment
- [http://www.ecoi.go.kr](http://www.ecoi.go.kr)

**Good Recycled Mark**
- 16 categories including waste paper, glass
- 206 companies, 247 products
  (As of June. 2013)
- Ministry of Trade, Industry and Energy
- [http://www.gr.or.kr](http://www.gr.or.kr)
Overview: Green Product Groups (example)

Office Supplies / Equipment
- Office Equipment
- Label Paper
- Document File
- Printer Paper
- Toner Cartridge
- Pen

Electric / Electronic Goods
- TV
- Air Conditioner
- Video Projector
- DVD Player
- Computer

Consumables, etc.
- Toilet Paper
- Detergent
- Sanitizer
- Bin Bag
- Disposable Container
Overview: Green Product Groups (example)
Monitoring GPP: institutional arrangement

MOE
Overall Management

KEITI
Collating GPP plans/records & Evaluating

PPS
Executing & Monitoring Centralized GPP

State Agencies
Execute GPP

Commission Procurement over certain thresholds

Provide green products information

Submit centralized GPP records via KONEPS

Provide direction and supervision

Report the monitoring and evaluation results

Provide technical Assistance

Submit Implementation Plan and Records via KONEPS

Execute GPP Over certain thresholds
Monitoring GPP: Indicators

- **Number of Agencies** submitting Implementation Plan and Performance Report
  
  About 864 umbrella org. and 30,000 subsidiary org.

- **Total amount of actual purchases** of green products
  
  - Measured in both *units* and *economic value* for products with ecolabel (Korea Eco-label and Good Recycled Mark)
  
  - *Percentage* of green purchase in relation to the total expenditure in those product groups
Each institution submits the implementation plan via GPIS. Performance Records conducted by PPS and individual org. are compiled via GPIS in connection with KONEPS.

GPIS (www.greenproduct.go.kr)
Monitoring GPP: Trends in GPP (in economic value)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (billion KRW)</th>
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<tbody>
<tr>
<td>2004</td>
<td>255</td>
</tr>
<tr>
<td>2005</td>
<td>787</td>
</tr>
<tr>
<td>2006</td>
<td>861</td>
</tr>
<tr>
<td>2007</td>
<td>1,344</td>
</tr>
<tr>
<td>2008</td>
<td>1,584</td>
</tr>
<tr>
<td>2009</td>
<td>1,630</td>
</tr>
<tr>
<td>2010</td>
<td>1,641</td>
</tr>
<tr>
<td>2011</td>
<td>1,646</td>
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<tr>
<td>2012</td>
<td>1,727</td>
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For the last 8 years, public sector’s green procurement in 19 items resulted in 3.71 million tons of CO\textsubscript{2} equivalent emission reduction and 12,143 new jobs.
Since the enactment of the act, the number of manufacturers and certified products have been on a rapid rise.

Sales of ecolabeled products have reached USD 30 billion.
### Key Lessons Learned

#### Success Factors
- Combined approach of GPP and EL
- E-procurement system in connection with GPIS
- Institutional arrangement among key stakeholders
- Technical assistance for procurers (e.g. guideline, training)
- Financial & reputational incentives

#### Limitations
- Staff in charge of GPP rarely appointed by each institution
- Limited coverage of monitoring until recently
- Lack of GPP target at national level
- No coordination with other procurement regulations
Key lessons learned: Opportunities for further development

• Stimulate public demand by **diversifying the product groups**

• Introduce **progress indicators** to communicate the overall progress in GPP by each institution

• Coordinate with other existing green and social procurement standards
Thank You